



17 February 2014

JSCNA
PO Box 6120
Parliament House
Canberra ACT 2600
<Via Email>

Re: SUBMISSION TO THE JOINT SELECT COMMITTEE ON NORTHERN AUSTRALIA

Dear Members,

Infogen Energy appreciates the opportunity to lodge a submission to the Joint Select Committee's inquiry into the Development of Northern Australia.

Infogen Energy (ASX: IFN) is Australia's leading specialist renewable energy business. Infogen Energy is the largest owner of wind energy facilities in Australia where it owns and operates six major wind farms capable of producing approximately 1600 GWh per annum, or enough energy to supply over 200,000 Australian homes. Infogen Energy also has a significant pipeline of solar and wind development opportunities in Australia. In addition, Infogen Energy owns and operates a U.S. wind energy business taking its aggregate wind energy interests to 24 wind farms with a total generation capacity of over 1600 MW.

Infogen Energy has a specific interest into the Development of Northern Australia through its proposed \$230m wind farm development near Forsayth in North QLD. Once constructed, the project will include up to 30 wind turbines that connect via a new substation into the 132kV Ergon transmission line, which runs between Townsville and Georgetown. The wind farm received development consent from the Etheridge Shire Council in September 2012 without any objections being received and successfully negotiated and registered an Indigenous Land Use Agreement in 2013. Prior to a final investment decision, the project will require a power purchase agreement from a large retailer for the output of the wind farm.

The benefits from this project are vast and align with many of the objectives outlined in the terms of reference. Once operational, the Forsayth wind farm will produce around 300GWh of pollution free electricity per annum and will feed into the northern part of the national electricity grid. Due to advancements in the grid compatibility of modern wind turbine technology, the wind farm will provide a needed boost to the stability of the electricity networks in the Gulf and Northern QLD regions. During construction, the project will create around 120 new construction jobs and once operational---around 6 long-term positions. Given its location, it is envisaged that the wind farm should reduce the annual Community Service Obligation (CSO), which is payable to Ergon annually, through a reduction in network losses and avoided network spending.

Infogen also supports the development of other renewable projects in Northern Australia, including the proposed Cloncurry solar farm. In addition, Infogen considers that there are extensive opportunities for renewables in remote areas that are currently

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off-grid and reliant on diesel fuelled electricity generation. Projects of this nature are complimentary to objectives raised by the Chair for growth in agriculture, mining, ports, and tourism for Northern Australia.

Despite significant investments in their development, further investment in projects such as Forsayth are being paralysed by uncertainty over the Federal Government's upcoming review of the Renewable Energy Target (RET) scheme. The expanded Renewable Energy Target scheme was legislated in 2009, and amended in 2010, and sets a fixed 41,000 Gigawatt hours (GWh) target for Large-scale renewable generation to enable *at least* 20% of Australia's electricity to be generated by renewable sources. This legislation was passed with the tri-partisan support of the Coalition, ALP and Greens. The Government has announced that another review of the Renewable Energy Target scheme will begin later this year, and there are a number of vested interests advocating that the LRET scheme be scaled back to their interpretation of a so-called "real 20%" of electricity generation in 2020.

Development of Northern Australia requires investment in additional investment in electricity supply to allow growth in all sectors. Investment in renewable energy projects in Australia requires stable and consistent policy. The constant threat of change to the legislation from industry reviews will continue to inhibit new investment in the sector.

Infigen Energy welcomes the opportunity to provide a submission to the Joint Select Committee's inquiry into Development in Northern Australia. If there are any questions or comments with regards to this submission, please do not hesitate to contact the undersigned.

Yours sincerely

Frank Boland
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